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CONSUMER PRICE INDEX FOR THE SOUTH—OCTOBER 2001

The Consumer Price Index for All Urban Consumers (CPI-U) for the South¹ decreased 0.3 percent in October, not seasonally adjusted, to a level of 171.7 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Janet S. Rankin announced that for the 12-month period ending in October, the CPI-U, South increased 1.9 percent.

Over the month, lower costs for energy accounted for much of the decrease. Energy costs decreased 7.0 percent in October, reflecting not only declining costs for gasoline, but also declining costs for electricity and utility natural gas. Over the month, food costs increased 0.6 percent. Excluding food and energy, the CPI-U, South rose 0.3 percent over the month.

Table A. Percent changes in the Consumer Price Index for All Urban Consumers for the South by expenditure category (not seasonally adjusted).

Expenditure category	Percent change from preceding month				Unadjusted 12 months percent change ended October, 2001
	October 2000	August 2001	September 2001	October 2001	
All items	0.0	-0.1	0.4	-0.3	1.9
Food and beverages	0.2	0.2	0.2	0.6	3.2
Housing	-0.1	-0.1	-0.4	-0.5	2.3
Apparel	1.6	-0.7	4.2	3.0	0.6
Transportation	-0.1	-0.9	1.3	-1.7	-1.8
Medical care	0.2	0.2	0.1	0.4	3.8
Recreation 1/	-0.2	0.1	0.1	0.0	1.8
Education and communication 1/	0.7	1.8	0.6	0.5	4.3
Other goods and services	-0.7	-0.5	1.7	-0.8	5.1

1/ Index on a December 1997=100 base.

¹ South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Over the past 12 months, the CPI-U, South has increased 1.9 percent. Although housing costs were down over the month, they remain the largest part of the increase over the past year, as shelter costs rose 2.7 percent and costs for household fuels and utilities increased 2.3 percent since October 2000. Year to date, the CPI-U, South increased 2.0 percent, compared to a 3.0 percent increase over the first ten months of last year.

Among the major index groups, the food and beverages index advanced 0.6 percent in October. This was the largest one-month increase since January 1999. The increase was primarily due to a 0.7 percent increase in costs for food at home. Costs for food away from home increased 0.5 percent, while costs for alcoholic beverages rose 0.2 percent in October. Over the past 12 months, the food and beverages index has risen 3.2 percent.

After decreasing 0.5 percent over the last two months, the housing index declined another 0.5 percent in October. The fuels and utilities index decreased 4.2 percent, reflecting a 5.7 percent decline in costs for electricity and a 4.2 percent drop in costs for utility natural gas. Costs for utility natural gas service were 10.0 percent less in October 2001 than they had been in October 2000, while costs for electricity remain 5.6 percent higher. Shelter costs increased 0.2 percent. The shelter index measures changes in costs for rent of primary residence, owner's equivalent rent of primary residence, and lodging away from home. Cost for rent of primary residence rose 0.4 percent, while costs for owner's equivalent rent increased 0.3 percent. Costs for lodging away from home are not published as a separate index for the South.

After increasing 4.2 percent in September, the index for apparel increased another 3.0 percent in October. Including the latest increase, the index has increased 2.2 percent so far this year compared to a 0.1 percent decline for the same period a year ago. For the twelve months ending in October, apparel costs are up 0.6 percent.

The transportation index decreased 1.7 percent in October. Although costs for new and used motor vehicles rose 0.4 percent, costs for motor fuels declined 9.3 percent. Costs for gasoline have declined 9.9 percent so far this year and have dropped 13.4 percent below the level recorded in October 2000.

Costs for medical care continued to rise in October. The index rose 0.4 percent over the month to a level 3.8 percent higher than a year ago. The index for medical care commodities increased 0.3 percent, while the index for medical care services rose 0.5 over the month.

Other major index groups reported include the recreation index, which remained unchanged over the month. Over the past year, the index has risen 1.8 percent. The education and communication index rose 0.5 percent in October, bringing the over the year increase to 4.3 percent. Costs for other goods and services declined 0.8 percent in October, but remain 5.1 percent above the level recorded a year ago.

Population size groups

Over the month, consumer prices in the South decreased 0.1 percent in the largest areas, those with 1.5 million or more residents (Size Class A). In mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C), the index decreased 0.5 percent. In small metropolitan areas, those with populations of less than 50,000 (Size Class D), the index rose 0.1 percent. Over the year, consumer costs in the South rose 2.7 percent in the largest areas (Size Class A), 1.5 percent in the mid-sized areas (Size Class B/C), and 1.4 percent in the smallest areas (Size Class D).

Metropolitan areas in the Southeast

Consumer prices are published bi-monthly for Atlanta and Miami-Fort Lauderdale. For the two months ending in October, the Atlanta index decreased 0.1 percent, while the index for Miami-Ft. Lauderdale increased 0.4 percent. For the 12 months ending in October 2001, the all items index for Atlanta increased 2.8 percent and Miami-Fort Lauderdale increased 2.7 percent.

Data for the Tampa-St. Petersburg-Clearwater area are published semiannually. For the first half of 2001, the index rose 1.2 percent. From the first half of 2000 through the first half of 2001, the index rose 2.0 percent.

Technical Notes

In each revision, the CPI geographic sample is selected to be representative of the current demographics of the United States. The 1998 revision utilizes the 1990 Census of population. The CPI developed an updated area sample design, decided on new local area indexes and changed the frequency of publication for local area indexes in order to better reflect these new demographics.

The BLS continues to publish separate indexes for the four Census regions of the United States. However, beginning in 1998, there are only two area size classes for metropolitan areas, instead of the former three: Size A - areas with a population greater than 1.5 million; and Size B/C - areas of 50,000 to 1.5 million population. This cutoff of 1.5 million in population reflects a rise from the former cutoff of 1.2 million and is important since cities in size class A are those for which the Bureau publishes city level indexes. The B/C size class is a combination of the old Size B and Size C metropolitan areas. In addition to the two metropolitan area size indexes for each region, separate Size D indexes for areas of less than 50,000 continue to be published for both the Midwest and the South. Separate indexes for Northeast and West urban nonmetropolitan areas were discontinued in 1987.

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our web site at <http://www.bls.gov>. Current and historical BLS data are also posted on our Internet page at <http://www.bls.gov/ro4/home.htm>. CPI data are also available through our fax-on-demand system. Table 1 for the CPI-U, South may be found under Code 9110. Data in this table are updated monthly and are available on the day of release. For a catalog of items available to be faxed to you, call our fax-on-demand number at (404) 331-3403. If you have additional questions, you can contact the Atlanta information office directly by dialing (404) 331-3415, and customers in the Miami area can reach us at (305) 358-2305.

Change in the Consumer Price Index Formula

On April 16, 1998, the Bureau of Labor Statistics announced its decision to use a new formula for calculating the basic components of the Consumer Price Index for all Urban Consumers (CPI-U) and the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). This change became effective with data for January 1999.

The new formula, the geometric mean estimator, is used in index categories that comprise approximately 61 percent of total consumer spending represented by the CPI-U. The remaining index categories, which are shown in the table below, will continue to be calculated as they have been. Based upon BLS research, it is expected that new formula will reduce the annual rate of increase in the CPI by approximately 0.2 percentage point per year.

The geometric mean estimator was introduced in both the CPI-U and the CPI-W effective with data for January 1999, in accord with the past practice of introducing methodological changes at the beginning of a calendar year. BLS will continue to publish “overlap” CPI-U and CPI-W series using the current calculation method for the first six months of 1999. These indexes will not be published regularly for months subsequent to June 1999, but will be available upon request.

Table 1. Consumer Price Index for all urban consumers and urban wage earners and clerical workers,
South Region, (1982-84=100), Not seasonally adjusted

Group	All urban consumers			Urban wage earners and clerical workers		
	Index Oct 2001	Percent change to Oct 2001 from		Index Oct 2001	Percent change to Oct 2001 from	
		Oct 2000	Sept 2001		Oct 2000	Sept 2001
All items	171.7	1.9	-0.3	169.8	1.8	-0.3
All items (Dec 1977=100)	278.6	-	-	275.0	-	-
Food and beverages	173.0	3.2	0.6	172.0	3.3	0.6
Food	172.9	3.2	0.6	172.1	3.3	0.6
Food at home	170.9	3.3	0.7	169.7	3.3	0.7
Food away from home	178.2	3.2	0.5	177.7	3.2	0.5
Alcoholic beverages	173.2	3.3	0.2	170.7	3.6	0.2
Housing	163.1	2.3	-0.5	161.8	2.4	-0.6
Shelter	179.8	2.7	0.2	178.6	2.9	0.3
Rent of primary residence	176.0	3.9	0.4	175.7	3.8	0.4
Owners' equivalent rent (1)	182.0	3.1	0.3	169.8	3.0	0.3
Fuel and utilities	149.1	2.3	-4.2	149.6	2.8	-4.3
Fuels	129.3	2.2	-5.3	128.7	2.9	-5.4
Gas (piped) and electricity	131.3	2.5	-5.5	131.0	3.1	-5.6
Electricity	129.6	5.6	-5.7	129.0	5.8	-5.7
Utility natural gas service	141.6	-10.0	-4.2	143.0	-9.8	-4.2
Household furnishings and operation	128.2	-0.5	-0.2	124.8	-1.0	-0.1
Apparel	143.0	0.6	3.0	141.6	0.5	3.0
Transportation	148.7	-1.8	-1.7	148.8	-2.1	-1.8
Private transportation	146.7	-2.0	-1.7	147.4	-2.3	-1.8
New & used motor vehicles (2)	100.0	-0.7	0.4	100.9	-0.7	0.4
New vehicles	143.8	-0.6	0.4	143.5	-0.5	0.4
New cars and trucks (2) (3)	97.9	-0.4	0.4	-	-	-
New cars (3)	141.6	-1.2	0.2	-	-	-
Used cars and trucks	157.0	-0.9	0.5	158.2	-1.0	0.4
Motor fuel	112.2	-13.3	-9.3	112.1	-13.4	-9.4
Gasoline (all types)	111.5	-13.4	-9.3	111.5	-13.4	-9.4
Regular unleaded (3)	108.5	-14.1	-10.0	108.5	-14.1	-10.0
Midgrade unleaded (3) (4)	117.9	-13.2	-9.1	117.9	-13.2	-9.2
Premium unleaded (3)	114.8	-12.0	-8.3	114.7	-12.0	-8.4
Medical care	268.3	3.8	0.4	268.3	3.7	0.5
Medical care commodities	242.6	5.2	0.3	239.6	4.8	0.2
Medical care services	274.6	3.4	0.5	275.1	3.3	0.5
Professional services	246.1	1.9	0.2	246.8	1.8	0.2
Recreation (2)	105.2	1.8	0.0	103.6	1.4	0.1
Education and Communication (2)	107.3	4.3	0.5	107.0	4.2	0.5
Other goods and services	280.4	5.1	-0.8	287.7	5.5	-1.1
Commodities	150.6	0.4	-0.3	151.2	0.3	-0.5
Services	193.6	3.1	-0.2	192.5	3.3	-0.3
All items less medical care	165.7	1.8	-0.3	164.4	1.7	-0.4
All items less shelter	169.5	1.6	-0.4	167.6	1.5	-0.5
Energy	118.7	-5.2	-7.0	118.2	-5.6	-7.4
All items less energy	178.8	2.5	0.3	177.2	2.6	0.4
All items less food and energy	180.4	2.4	0.3	178.5	2.4	0.4
Purchasing power of the consumer dollar:						
1982-84=\$1.00	\$.582	-	-	\$.589	-	-
December 1977=\$1.00	\$.359	-	-	\$.364	-	-
SOUTH REGION						
Class A - More than 1.5 million pop	173.1	2.7	-0.1	170.7	2.6	-0.1
Class B/C - 50,000 to 1.5 million 5/	109.7	1.5	-0.5	109.4	1.4	-0.5
Class D - Nonmet less than 50,000	169.9	1.4	0.1	170.8	1.2	0.0

1/ Index is on a December 1982=100 base.

2/ Indexes on a December 1997=100 base.

3/ Special index based on a substantially smaller sample.

4/ Indexes on a December 1993=100 base.

5/ Index on a December 1996=100 base.

- Data not available.

Users should be aware that CPI data were revised to correct an error in the residential rent and owner's equivalent rent components. Indexes were revised for both the CPI-U and CPI-W for the period January 2000 through August 2000. For more information, call (404) 331-3415.